



Risk Management Policy

Table of Contents

Purpose & Objectives	2
Scope	2
Risk Governance	2
Risk Management	4
Risk Categories	4
Risk Register	5
Risk Reporting	5
Risk Management Performance	5
Risk Appetite	5
Capacity Building And Awareness	6
Review And Approval	6
Miscellaneous	6
Document Control And History	7
References	7

Purpose & objectives

The purpose of the Risk Management Policy is to provide guidance towards systematic Risk management including identifying, analyzing, managing, and reporting Risks for the organization, as per Company's commitment to ensure effective implementation of the risk management process within the company.

Zensar Technologies is committed to develop an integrated Risk Management Framework:

- To align risk management with achievement of strategic objectives
- To enable informed decision making at all levels of the organization
- To promote culture of risk management, ownership, and awareness among employees
- To enable compliance with legal and regulatory requirements

Scope of enterprise risk management

The Enterprise Risk Management (ERM) program ensures compliance with applicable government and regulatory requirements, and potential Risk areas in various economic, environmental, social, sectoral, sustainability related, and industrial environments Zensar operates in. This policy applies to the company's Enterprise-wide activities, and is applicable to all its employees, contractors and other stakeholders.

Risk governance

A multi-level governance structure has been established to monitor and report Risks and related mitigation activities.

Risk Management Committee

The Terms of Reference of the Committee shall be as approved by the Board and / or as laid down under relevant Regulations, from time to time including but not limited to performance of functions specified in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Executive Management

Responsible for Risk Prioritization, Definition of Risk Appetite/Threshold, and Periodic Progress Review

Review the adequacy of the risk management system

Internal Audit

Internal audit is an integral part of the organization's governance structure and participates in ERM reviews to evaluate the robustness of risk management guidelines and effectiveness of mitigations.

Chief Risk Officer

Heads the ERM function, helps inculcate Risk culture, and drives ERM processes

ExCom Council - Risk Owners

Driving and overseeing Risk management activities for Risks identified for their respective Business Unit (BU)/Function/Region

Risk Champions

Drive Risk Mitigation Measure identification and ensure effective and timely implementation of actions to address Risks. Evaluate outcomes of Risk mitigation efforts, and identify and report Emerging Risks



Risk Management Process

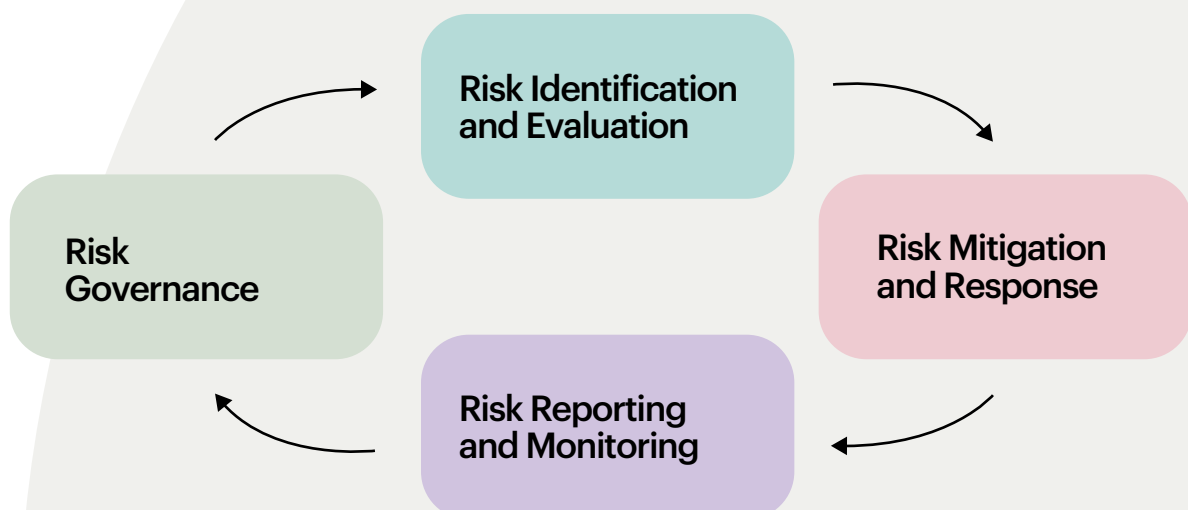
The ERM Lifecycle starts with interviews & workshops with ExCom, basis a framework providing source for Internal and External Risk identification. Further discussions and brainstorming sessions help prioritize Top enterprise Risks and suggested actions with Risk owners. Subsequently, detailed stakeholder discussions are held with BU and Function workgroups on Risks, categorization thereof and mitigation measures. The developed mitigation plans are tracked through active monitoring of Key Performance Indicators (KPIs). Finally, there are periodic updates of enterprise-level Risks through structured reviews with the Risk Owners, ExCom, and the Board of Directors (Board')/ Risk Management Committee ('RMC'). Emerging risks are identified based on new business strategy, new markets, emerging geopolitical situations, changing industry norms, timely and requisite resource availability and other internal or external circumstances, and with reference to global and industrywide risk assessments. Apart from this, the circumstantial risks which may have sudden strategic impact, are presented to Board Risk Committee to incorporate them in the risk portfolio, as increased probability of occurrence is observed.



Risk Categories

The Risk Categories defined in the Company's ERM program include:

- 1. Strategic:** Risks likely to affect execution of the strategy.
- 2. Operational:** Risks arising out of internal and external factors affecting policies, procedures, people and systems thereby impacting service delivery. Also includes Technology/Cybersecurity risks arising out of potential data breach or cyber-attacks, and Business Continuity risks.
- 3. Compliance/Regulatory:** Risks arising from potential litigations, violations to laws, regulations and major regulatory/geopolitical changes. Also includes Reputational Risks, which are likely to affect brand or reputation due to non-ethical behaviours.
- 4. Financial:** Risks related to financial liquidity, currency fluctuations, and capital management.
- 5. ESG:** Risks related to regulatory non-compliances and customer expectation for mitigations towards Climate changes and sustainability.





Risk Register

The ERM function has defined and implemented a multi-layered Risk Register. This includes Risks at Organizational, Business Unit (BU), Function, and regional level.

The Risks are rated based on their impact and probability- using a combination of Risk impact from insignificant to catastrophic, and Risk probability ranging from rare to almost certain, following which, a Risk Score is deduced which helps identify if the Risk Rating is Low, Medium or High.

Risks so identified have a related Mitigation Plan, and the effectiveness of every mitigation in the plan is measured using Key Performance Indicators, which could be quantitative or qualitative.



Risk Reporting

Risk reporting comprises the following elements:

- BU/Function/Region-specific description of key risks and ratings
- Description of key risk mitigation measures and KPIs

Reporting protocol followed in the ERM process is as follows:

1. Quarterly to ExCom and Periodic reviews on need basis.
2. Reviews with RMC, at least twice a year with a gap not exceeding more than 180 days.
3. Periodic reviews with the Board.



Risk Management Performance

The performance of the Risk management framework is assessed through measurement of achievements against the Key Performance Indicator (KPI) targets.

ERM Core team enables review and validation of achievements. Risk Owners monitor Risk mitigation progress, and residual Risk is calculated depending on reduction in Risk Impact.



Risk Appetite

The Risk Appetite statement sets out the way in which Company will balance between threats and opportunities in pursuit of achieving its objectives. Using the Mitigation measures, baseline and target is defined for each identified KPI, aligned with timeline to achieve such target. Such qualitative and quantitative targets that help in reducing adverse impact of the Risk, are devised based on level of Risk Appetite outlined for the Risk. Key elements guiding Risk Appetite are:

Risk Profile – Risk profiling is done in various categories like Strategic, Operational, Financial, Compliance, Technology, internal, external etc. with further classification as High/Medium/Low based on severity of consequences or impact coupled with likelihood.

Risk Capacity – Risk Capacity is determined based on ability of the Organization to handle impact on reputation, People, Financial, Infrastructure, Environmental Social Governance.

Risk Tolerance – Risk Tolerance is set within the Risk Appetite with qualitative & quantitative measures that enable monitoring & review. Budgets

aligned with strategic decisions, business objectives & functions govern the Risk Tolerance for associated Risks.

Residual Risk – The planned scaling down in current Risk level post exercising the targeted controls and mitigations over agreed timeline to reduce the Risk severity and probability for identified Risks by exercising variety of Risk treatments.

Risk appetite is determined to be High, Medium, Low and minimum based on the element of risks the organization proposes to take considering the elements mentioned above.



Capacity Building And Awareness

Zensar builds risk awareness at enterprise level as well as project & function level, ensuring risk culture is created across operations. During annual enterprise risk identification exercise, the risks are analysed using global, regional and industry specific updates. Prior to final identification, in-depth awareness and brainstorming sessions with senior management and board level risk committee help in strategic alignment and risk prioritization. Functional and project level risk identification and treatment plans are created and monitored at regular intervals.



Review And Approval

The Risk Management Policy is reviewed and approved at least once in two years, by the Board /Risk Management Committee. Review of the Risk Management Policy ensures that the policy is consistent and effective, and in line with the Risk management framework, considering the changing industry dynamics and evolving complexity.



Miscellaneous

1. This inclusive policy provides for indicative framework which keeps evolving in line with emerging business requirements from time to time. It shall operate as per the Companies Act, 2013 & Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions for the time being in force.
2. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall mutatis mutandis apply to /prevail upon this Policy.



Document Control And History

Version Number	Date of Revision / approval	Author	Reviewer	Authorizer	Brief description of changes
	22.02.2021	Shagun Anand (ERM Team Member)	Vaishali Idnani (ERM Team Member)	Shubha Kumar (Chief Risk Officer)	Management Policy
2.0	26.10.2021	Shubha Kumar (Chief Risk Officer)	Risk Management Committee	Board of Directors	Formal Board approval for the extant Risk management policy
3.0	22.01.2025	Shubha Kumar (Chief Risk Officer)	Risk Management Committee	Board of Directors	Addition of emerging risk identification process
4.0	24.04.2026	Pallavi Joshi (ERM Team Member)	Vaishali Idnani (Chief Risk Officer)	Board of Directors	Added details for Internal Audit and Capacity building and Awareness



References

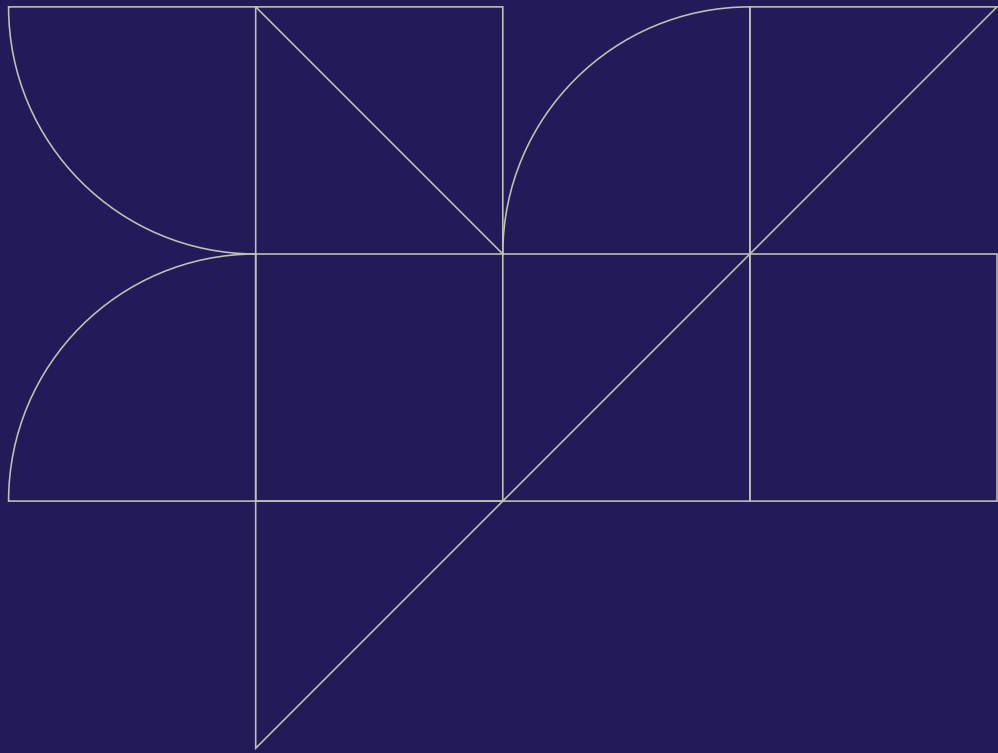
- i. Risk Register
- ii. Quarterly Risk Management Reports
- iii. Business Continuity Plan



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